United Nations A/52/1010

General Assembly

Distr.: General
5 August 1998

Original: English

Fifty-second session
Agenda item 143
Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions

Note by the Secretary-General

1. Pursuant to General Assembly resolution 51/231 of 25 June 1997, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions.

2. The Secretary-General takes note of its findings and concurs with its recommendations.

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Annex

Report of the Office of Internal Oversight Services on the inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions

Summary

The present report advises the General Assembly of the key findings of the Office of Internal Oversight Services based upon a request from the General Assembly in its resolution 51/231 of 25 June 1997 for information relating to the insufficient use of expertise in procurement planning in eight peacekeeping missions, including the United Nations Protection Force, the United Nations Operation in Somalia, the United Nations Angola Verification Mission and the United Nations Observer Mission in Liberia during the biennium 1994–1995. The request developed following a Board of Auditors report to the General Assembly which noted that United Nations funds had been expended on services not rendered by aviation vendors in several peacekeeping missions during that biennium.

The United Nations experienced unprecedented growth in peacekeeping operations during the period 1991–1995, including the biennium 1994–1995, which created significant difficulties for an under-resourced and inexperienced Secretariat. The United Nations had not conducted commercial aviation procurement of the magnitude required by the newly established missions during that period and the requisite management experience of such activity could not be obtained overnight. Notwithstanding that, the findings of the Office of Internal Oversight Services support the concerns expressed by the General Assembly over such expenditures and identify factors responsible for the overestimation of aviation services during the biennium. These include a lack of coordination on aviation planning matters between the missions and United Nations Headquarters, uncertain mission mandates (and budgets) and inadequate oversight of aviation operations prior to the establishment of the Field Administration and Logistics Division of the Department of Peacekeeping Operations and the Air Operations and Air Safety Units within the Field Administration and Logistics Division in 1994.

The steep learning curve was not restricted purely to aviation activities. Many departments were suffering from enormous workloads emanating from the expansion of peacekeeping operations, and that also impacted upon the ability of the Organization to handle the new challenges successfully. Significant corrective actions have been implemented since 1994 by the responsible departments to protect the United Nations from similar over-expenditures in the future. Those measures have dramatically improved the manner in which the Organization procures and manages its aviation operations. It is also clear that, utilizing the experience and data from the previous years, aviation procurement planning by the Department of Peacekeeping Operations has reduced the unused block hours from 40 per cent of all contracted hours in 1993 to approximately 2 per cent in 1997.

The initial draft of the present report was circulated to the following substantive departments: the Department of Peacekeeping Operations, the Department of Management and the Office of Legal Affairs for their comments. A revised draft of the report was also

provided to the same departments for comment. In both the body of the report and the recommendations, the specific comments of those departments have been added in italics for ease of reference. Other comments received from the departments have been incorporated into the text where only elaboration on certain points was necessary.

The departments have generally agreed with the findings and recommendations in the present report.

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I. Background

1. In its resolution 51/231 of 25 June 1997, the General Assembly requested the Office of Internal Oversight Services (OIOS) to provide information relating to the insufficient use of expertise in procurement planning in eight peacekeeping missions, including the United Nations Protection Force (UNPROFOR) and the United Nations Operation in Somalia (UNOSOM), which led to payments for aircraft services not utilized, assessed at $2.4 million in the United Nations Angola Verification Mission (UNAVEM) and $0.4 million in the United Nations Observer Mission in Liberia (UNOMIL) during the biennium 1994–1995. The request developed following a Board of Auditors report to the General Assembly[a] which noted that United Nations funds had been expended on services not rendered by aviation vendors in several peacekeeping missions during that biennium. OIOS conducted an inquiry which disclosed that the concerns expressed by the General Assembly over such expenditures, as they related to aviation contracts awarded in several peacekeeping missions during the biennium 1994–1995, were well founded.

2. The annual reports produced by the Air Operations Unit, Field Administration and Logistics Division, Department of Peacekeeping Operations, for 1994, 1995 and 1996 highlight that, on available information in 1993, approximately 30 to 40 per cent of all block hours under contract were unused but fully paid. By the end of 1994, the Division had reduced that figure to 13.77 per cent of all block hours. That loss was due, in the main, to overestimation of requirements, bad weather and lost time in start-up and closure of missions and contracts. By the end of 1995, 8.8 per cent of block hours annually was unused. The figure at the end of 1996 had been reduced to just 2.9 per cent. Furthermore, by mid-1997, unused block hours extended only to 1.9 per cent. Concurrently, the Division has reorganized itself internally so that primary flight certification responsibility rests with the Air Operations Unit instead of its Finance Management and Support Service. That has resulted in another $4 million being saved for the year by way of vendor claims being reduced because of the aircraft use report system. In addition, the turnaround time of undisputed claims by vendors was reduced from an average of 35 days to just four days.

3. The Office of Internal Oversight Services found that the unprecedented expansion in peacekeeping operations during the period 1991–1995, including the biennium 1994–1995, created significant difficulties for an under-resourced and inexperienced secretariat. That period saw the establishment of many of the largest and most challenging missions that the Organization had fielded to that time, including the United Nations Transitional Authority in Cambodia (UNTAC), UNOSOM, UNPROFOR and the United Nations Assistance Mission in Rwanda (UNAMIR).

4. The Investigations Section of OIOS conducted documentary searches and obtained testimonial evidence from those knowledgeable about the provision of air services as well as current and former staff members of the Field Administration and Logistics Division, the Procurement Division and the peacekeeping missions. From those documents and interviews, it appears that the problem was caused by several factors, none of which involved individual culpability by United Nations staff members for mismanagement or intentional waste of United Nations resources. During the biennium 1994–1995, aviation contracts were executed on the basis of a certain number of block hours per month being guaranteed for payment to the vendor, whether the hours were flown or not. The high number of block hours guaranteed to vendors during that period stemmed in part from concerns in the missions over availability of aircraft for unpredictable situations above and beyond normal mission requirements, including casualty evacuation and medical evacuation (CASEVAC/MEDEVAC) emergency responsibilities. The administrators in the missions wanted to ensure the continued availability of aircraft in the missions to cover such contingencies in environments that suffered from a lack of long-term resource allocation. However, it should be noted that vendors were paid for block hours only if the aircraft were actually available for use by the missions.

5. *The Department of Peacekeeping Operations responded that, rather than mission administrators wanting to ensure the continued availability of aircraft, it is perhaps more accurate to say that mission administrators were frequently faced with the operational requirement of having to ensure such availability in order to meet unpredictable and often life-threatening situations.*

6. The rapid expansion of peacekeeping missions, the uncertain and frequently changing mandates of the newly established missions, a lack of adequate coordination on aviation planning matters between the missions and United Nations Headquarters, and inadequate oversight of aviation operations prior to the establishment of the Air Operations Unit and the Air Safety Unit within the Field Administration

[a] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5* (A/51/5).

and Logistics Division, all contributed to the problems experienced in aviation procurement planning. It should also be noted that the United Nations experienced a steep learning curve in the planning and management of commercial aviation operations during the early 1990s and only began to coordinate planning between the missions and Headquarters in 1994, when the Air Operations Unit became fully functional at Headquarters. The steep learning curve was not restricted purely to aviation activities. Many departments were suffering from enormous workloads emanating from the expansion of peacekeeping operations, and that also impacted upon the ability of the Organization to handle the new challenges successfully. A lack of oversight of all aviation activity in the field also contributed to the Organization's inability to verify the actual hours flown by the vendors.

7. Personnel had to be found at very short notice to staff the missions in the early 1990s. This placed enormous demands upon the Field Administration and Logistics Division's predecessor, the Field Operations Division, in terms of adequately managing the operations of those new missions, including the recruitment of suitably qualified and experienced United Nations staff to manage aviation operations in the field. Owing to the slow pace of standard United Nations recruitment procedures for regularized staff members, the Organization utilized short-term military secondees to handle the majority of aviation activities and mission planning during the period. Those individuals lacked the background in or accountability for ensuring adherence to the rules and regulations of the United Nations but were readily available for placement in the field.

8. In audits performed during the biennium 1994–1995, OIOS had recognized and reported on the problems in the field and identified the magnitude of the losses being incurred. From those and other internal observations, the Department of Peacekeeping Operations instituted the Air Safety Unit and the Air Operations Unit within the Transport Section of the Logistics and Communications Service, the Field Administration and Logistics Division. Those units, established by the fourth quarter of 1993, immediately took steps to reduce the losses being incurred by the Organization. The units' endeavours took some time before tangible results were observed, but eventually the problem was managed to such an extent that unused block hours paid for by the United Nations dropped from approximately 40 per cent of all contracted aviation services in 1993 to a much more acceptable figure of 1–2 per cent in 1997.

II. Conduct of United Nations aviation operations

A. Management of aviation services

1. Procurement

9. Until 1991, the United Nations had enjoyed a period of relative stability in the mandate length of the existing field missions. Given that longevity, the large majority of mission-based aviation services were conducted under letters of assist with Member States for periods of up to 12 months at a time. Little in the way of commercial procurement of aviation services was conducted owing to the ability of Member States to supply the required aircraft in those relatively safe and stable environments. The status quo was broken in 1991–1992 with the commencement of a period during which complex, difficult and dangerous routes had to be flown in the range of new missions opened by the Organization. In order to ensure better management and control of air operations and to attract competitive commercial rates, which were, in some cases, half the existing letter-of-assist rates, the Organization commenced the process of seeking external competitive bids. The Organization had to develop an entire aviation support structure to manage approximately 140 military and commercial aircraft, and it assigned staff who had to function without the benefit of a long introduction to commercial aviation management.

10. Until 1993, aviation activity in the missions was the responsibility of the Field Operations Division, which was under the management of the Office of General Services at Headquarters. For each mission, logistics planning was the shared responsibility of the military and the United Nations administrators to outline both the policy and operational objectives of the mission. The process required that the aviation needs of a mission were to be identified within the operational plan and then approved by both the mission administration and Headquarters. OIOS accepts that prior to 1994, given the uncertainty surrounding the mandates of several peacekeeping missions, long-term planning was nearly impossible without strong oversight of operations from Headquarters, especially the Field Administration and Logistics Division. Even during 1994, when the Department of Peacekeeping Operations was established and the two aviation units were operational at Headquarters, those planning documents were not always prepared ahead of time, nor did they contain specifics as to the services required. In some cases, the logistical plan was prepared at the mission

site and relayed to Headquarters only for budget and personnel allocation action.

11. The Office of Internal Oversight Services contends, however, that once the Field Administration and Logistics Division was established and suitably qualified aviation staff had been recruited, aviation planning for the biennium 1994–1995 should have begun to address a problem that was well known; yet the problem continued for the remainder of the biennium. There is little evidence in the form of specific aviation planning documents either in the missions or at Headquarters to determine how aviation requirements were decided on for each mission.

2. Experience of staff

12. In the period up to 1993, Field Operations Division staff, both in the missions and at Headquarters, did not include aviation specialists and so were not equipped to handle the problems associated with the expansion of United Nations missions. Many of the staff members handling the procurement and management of aviation contracts were military personnel, usually on loan and quickly available to the Organization. However, those individuals had neither United Nations experience nor, owing to the short duration of their postings, the degree of dedication required for effective management of aviation operations. Those factors compounded the problems, which weighed against successful planning to ensure the efficient and economical use of resources. According to managerial staff within the Office of General Services at that time, the number of procurement staff was also inadequate to handle the new responsibility created by expanded peacekeeping operations, including the volume of contracts that required processing. The entire process was flawed, technically because of a lack of experience, financially because of limited mandate periods and budgets, and strategically because of a lack of coordination of oversight and planning between the missions and Headquarters.

3. Vendor involvement and oversight

13. It cannot be disputed that several vendors reaped significant financial benefits from the United Nations during the period before aviation operations were more closely scrutinized. Figures provided by the Board of Auditors for UNAVEM during 1994–1995 show that only 33 per cent of all helicopter services under contract were utilized, but 100 per cent of contracted hours were paid to the vendors. In UNOSOM during a three-month period, just over 50 per cent of the guaranteed block hours in four contracts were flown, which cost the United Nations $2.8 million in unused services. The Board of Auditors noted that the Administration was taking steps at the time to rectify the problem.

14. In the period 1991–1994, aviation vendors already engaged on United Nations aviation contracts provided the Organization with advice on aircraft types, costs and obligations that would suit the expanded needs of the United Nations and be attractive to vendors. The issue of a certain number of guaranteed flying hours per month was a matter of concern to vendors who did not wish to obligate aircraft to contracts with uncertain financial returns. Such reluctance by aviation vendors further added to the problems of planning aviation activity in the missions. It was only after the creation of the two aviation units that a more thorough review of proposals occurred.

15. In UNOMIL during the period from October to December 1994, under a contract negotiated for 75 block hours with one vendor, actual flying hours per month for the period averaged 20.28. Nearly $500,000 worth of contracted aviation services were unused in that period. In audit reports issued in June 1994 by OIOS, one of the key recommendations made was that the mission should devote greater care to the decision on what type of transportation method was the most efficient in the region while still according with the mandated requirements of the Security Council. The missions, therefore, had to be aware of all available transport options within their region – sea, ground or air – in order to complete their operational planning. The Field Administration and Logistics Division commenced the implementation of the audit observations. Concurrently, the Division's oversight units at Headquarters were beginning to show savings on aviation contracts.

16. A major aid in reducing costs to the Organization in aviation contracts was the introduction of independent verification of hours flown by vendors. That task was undertaken by mission-based staff until 1996, when the responsibility was transferred to the Field Administration and Logistics Division at Headquarters. The Air Operations Unit's involvement in the process was highlighted by cross-referencing flight manifests against vendor claims to identify inconsistencies. That level of oversight saw many of the claims lodged by vendors reduced, as compared with previous vendor claims which had been paid according to the documentation supplied to the Organization. Such changes were among the first steps in the process of ensuring the accountability of aviation services provided to the Organization.

4. Mandate and contract duration

17. The obligation of funds for the contracts was for short periods, mainly three months, the usual mandate of many of the missions, or occasionally for six months. Such short-mandated periods hindered the efficient procurement of commercial aircraft. The average length of a United Nations aviation contract during 1992–1993 was only 3.5 months. Therefore, planning for the procurement of aviation services in the field missions was problematic from an efficiency perspective. Because staff involved in requisitioning aviation services had little or no aviation background, estimations of required hours (block hours) for each aircraft per month were usually decided on the basis of the perceived need to cover all possible contingencies, especially in unpredictable missions such as UNOSOM, rather than projecting future needs based on historical and current usage rates. That must be taken into account when assessing the United Nations offices responsible for aviation planning and procurement.

18. The Department of Peacekeeping Operations responded that aviation support requirements were an integral part of its planning process for new missions. That planning process was based on historical experience and an analysis of the likely future requirements of the mission and it was specifically geared to ensure that the right level of support and aviation mix (fixed wing and/or rotary aircraft) was provided. The most recent example of the aviation support planning process occurred in respect of the new mission to the Central African Republic, where an aviation support plan was developed by the Field Administration and Logistics Division, taking account of the military operational concept, the infrastructure and topographical features of the terrain, and the likely logistics requirements of the mission. A representative of the Transport Section of the Logistics and Communications Service recently travelled to the United Nations Mission for the Referendum in Western Sahara (MINURSO) as part of the technical survey team planning for the logistical expansion of that mission in the lead up to its referendum stage. Following discussions with MINURSO personnel, the Division changed the structure of the MINURSO aircraft fleet to make it more versatile and, at the same time, more cost-effective for the Organization.

19. Additionally, the Field Administration and Logistics Division, through the Air Operations Unit and the Air Safety Unit, Transport Section, Logistics and Communications Service, constantly monitored the use of air assets in existing missions in order to ensure that the best possible use is made of aircraft resources. Each time an aircraft charter contract, or letter of assist, comes up for renewal or extension, the historical and current usage rates for the aircraft, and the existing and future requirements of the mission, were taken into account in order to ensure that the best possible use is made of resources. In addition to the centralized and increased scrutiny of aviation invoices, commercial charter contracts and letters of assist now include termination clauses enabling the Organization to cancel aircraft agreements for cause or on a "no fault" basis in the event that mission mandates are substantially changed or terminated. Additionally, since 1996, air charter contracts have been awarded on a yearly basis, and since 1997, block hours have been spread over three-month (quarterly) periods, so that the cost of hours not flown in one month can be recouped over the other two months of the quarter. That adjustment in the contractual structure and the infusion of qualified aviation personnel have resulted in a dramatic improvement in determining requirements, and overall underutilized block hours have dropped from 13.77 per cent of total block hours (having a monetary equivalent of $17.7 million) in 1994 to 1.9 per cent (equivalent to $400,000) in 1997.

20. The Field Administration and Logistics Division Air Operations Manual, distributed in June 1998 to all field missions which have aviation assets, provides guidance on aviation requirements development and resource management and is geared towards standardizing aviation planning in all peacekeeping missions with long-term air contracts. At Headquarters, the Division has also established standard instructions and procedures for planning, programming, managing and budgeting for air transport operations.

21. The Department of Management responded that the statement requires further explanation and elaboration as to how to determine historical trends in a mission with a history of a few months to a year which undergoes a rapid expansion, and how the current usage trends should serve as a guide for future usage by a mission with an expanding mandate and escalating numbers of personnel.

22. Rather than assuming that the variables preclude any ability on the part of the Organization to plan for aviation procurement in the missions, OIOS believes that, even under the conditions described above, certain planning criteria remain static regardless of the mission location or mandate; for example, basic emergency evacuation procedures, logistic resupply and passenger movement. OIOS accepts that in the early days of the expansion of peacekeeping operations, circa 1991–1992, the Organization was on a steep learning curve. However, by 1994–1995, enough historical data was available to improve aviation procurement planning significantly. OIOS does not contend that the Field Administration and Logistics Division of the

Department of Peacekeeping Operations and the Department of Management should have corrected all aviation-related problems by 1994–1995, but that greater efficiencies could have been identified, for example in the allotment of block hours on contracts that continually resulted in underuse at procured services. Amendments to aviation planning did not match the level of knowledge accumulated on aviation contracts by the Department up to 1994–1995. Indeed, as the comments of the Department of Peacekeeping Operations show (see paras. 18-20 above), efficiencies have been achieved through the use of accumulated data.

5. Cost-efficiency problems

23. Because of the short duration of United Nations aviation contracts in 1992–1993, costs were usually above what could have been obtained if a longer tenure had been offered to the vendors. Many of the original contracts (average length 3.5 months) received extensions. Upon completion of the first 3.5 months, the contracts were extended on average 2.2 times, for a total contract time average of 11.2 months. Such short-term extensions impeded cost-cutting measures, as did the lack of competitive bidding. In many cases, that was unavoidable because of the limited duration of mission mandates and budgets. Uncertainties with mission mandates caused field administrators to err on the side of caution in determining block hours to ensure consistency of aviation services to the field. No mission could afford to be without air services, from both a political and a logistical perspective, so block hours were sometimes inflated to protect the mission from that problem. Overall, such issues precluded the achievement of low-cost and efficient procurement of aviation services, but OIOS recognizes that other options were not feasible until mission mandates were extended.

24. The Department of Management responded that the report could have gained in clarity if it had been explained whether short-duration contracts were the only option available under the manner in which the General Assembly was financing the peacekeeping operations and whether it was appropriate to judge such costs against some notional benchmarks applicable to an ideal, but not a realistic environment. The Department of Management added that the concepts of "low cost" and "efficient procurement" should be defined with recognition of the then-prevailing conditions of peacekeeping operations in mind and not in relation to some abstract, stable and predictable environment.

25. The Office of Internal Oversight Services reiterates that the United Nations did not achieve either "low cost" or "efficient procurement" during the biennium 1994–1995 even though the Organization had three years of relevant experience by then. However, experience has provided the Department of Peacekeeping Operations with the ability now to manage those services better and more efficiently.

B. The process of change

1. Audit observations

26. During the 1994–1995 biennium, the Audit and Management Consulting Division of OIOS provided 16 audit reports to the Department of Peacekeeping Operations related to aspects of aviation contracts in the missions. Observations and recommendations in those reports in many cases mirrored those made separately by the Board of Auditors during the same period. The Department addressed those recommendations in varying degrees and generally improved the performance of the Department in the reporting period. The general thrust of the audit observations centred on the need for changes in the management of the contracts, highlighting especially the need for greater cooperation between the missions and Headquarters. They also asked that the length of the contracts be extended to 12 months, but that the aircraft charter agreements should contain adequate termination clauses to allow for simple termination of contracts when missions were to close before the scheduled expiry date. Verification of hours flown and constant review and revision of aviation requirements were other examples of recommendations made to the Department of Peacekeeping Operations during the period.

27. The Audit and Management Consulting Division of OIOS also identified competitive bidding in all aviation contracts as one way of ensuring savings to the Organization. Until July 1993, a single vendor dominated United Nations aviation procurement. During that period, a number of vendors, and that dominant vendor, were able to benefit by filling the void of experience and knowledge within the United Nations concerning the planning, procurement and management of aviation contracts, including providing advice on the elements to be included in such contracts. Not surprisingly, that advice favoured the commercial interests of the vendors over the interests of the Organization. It could be concluded, therefore, that the United Nations may not have received the best value for its money for aviation services in the period dominated by the single vendor.

28. In the light of the foregoing, steps should have been taken by the then Procurement and Transportation Division to broaden the United Nations list of approved vendors. In

addition, audit reports had recommended that vendors be required to pre-qualify for United Nations procurements, that the United Nations standardize its general conditions for aircraft charters and that the "invitation to bid" documents be revised to ensure greater competitiveness and lower costs. Those recommendations were implemented.

2. Policy revision

29. The end of 1994 saw the emergence of a structured oversight mechanism at Headquarters (that is, the Air Operations and Air Safety Units), a revision of the United Nations Air Charter Agreement requiring contractors to be licensed aviation operators, rather than aviation brokers, and a generally higher level of scrutiny of vendors, notably as to the documentation that they submit and the proposed aircraft leasing arrangements. Since 1994, according to the Department of Peacekeeping Operations, the Organization has followed a policy of awarding contracts only to vendors who exercise full operational control over their aircraft and crews. In order to satisfy that condition, the vendor must demonstrate its authority to operate the required type of aircraft by having that type of aircraft listed on its Air Operator's Certificate at the time its bid is submitted. The amendment allows the Organization to determine more clearly the degree of control that the bidding vendor exercises over the leased aircraft, under either "wet" or "dry" leases. One result of the policy has been a significant drop in the percentage of United Nations aviation contracts awarded to one vendor.

30. The Department of Peacekeeping Operations responded that since July 1994, the Field Administration and Logistics Division, in collaboration with the Procurement Division, has an established policy of only awarding contracts to air operators who exercise full operational control over their aircraft and crew(s). In order to satisfy that requirement, the vendor must demonstrate its authority to operate the type of aircraft, by having that type of aircraft listed on its Air Operator's Certificate, at the time that it lodges its bid. In the case of leased aircraft, the lease must also give the vendor full operational control over the aircraft and its crew. It should be noted that, in line with the practice recommended by the International Civil Aviation Organization, the United Nations invitation to bid does not prohibit the use of "wet" leases or "dry" leases, provided they are suitably worded and give the vendor/lessee the requisite degree of operational control over the aircraft and its crew. Although the use of a "wet" lease often indicates that the lessor has not passed full operational control over the aircraft to the lessee, the issue whether the lease is "wet" or "dry" is not as significant as the issue of who exercises operational control over the aircraft and its crew, and that is evaluated on a case-by-case basis each time a bid is received.

C. Field Administration and Logistics Division activity – improved oversight

31. The Field Administration and Logistics Division identified contract award and costing information in its annual reports for 1994, 1995 and 1996. Prior to the establishment of the Air Operations and Air Safety Units, no detailed accounts of United Nations aviation records could be located. However, once those Units were established, new measures to track all flights under contract were implemented. The introduction of the aircraft use report provided the Division with the ability to assess quickly and effectively vendor claims for payment and data on aircraft, aircrews, departures and arrivals, payloads and fuel consumption. The aircraft use report was a control mechanism for identifying services provided by vendors and for which the United Nations was obligated to make payment.

32. The Field Administration and Logistics Division's annual reports repeatedly identified ways in which the Organization could manage all aviation contracts better; however, not all of the recommendations were implemented by the Division. Several of the recommendations required direction from the General Assembly prior to implementation; for others, implementation was hindered by a shortfall in available funding for the Division's Headquarters staff to visit both the missions and the aviation vendors in an effort to improve the overall management of aviation activities in the field. Approximately six staff members were employed during the biennium 1994–1995, but according to the Division, in reality another 10 staff members were required to satisfy the heavy responsibilities and workload in managing those aviation operations. To achieve greater control of aviation operations, the Department of Peacekeeping Operations needs to allocate scarce resources better and to phase out heavy reliance on short-term military personnel in key planning posts, replacing them with experienced staff members in added civilian posts. Nonetheless, overall, significant reductions in the cost of aviation services to the Organization have been realized worldwide since 1994. Although efforts are continually being made to improve the quality of the air services provided to the Organization, problems still exist in the aviation area which need to be monitored, including the appointment of accredited air operations officers to each

mission conducting air operations and greater reviews of vendors, both those seeking registration with the United Nations and those submitting bids as approved vendors, from operational and safety perspectives.

33. *The Department of Peacekeeping Operations responded that, as OIOS was aware, the Organization had experienced difficulties with certain entities that had provided false documentation to obtain United Nations business, either for themselves or for their affiliates. In order to prevent any such reoccurrence, the Field Administration and Logistics Division had requested the Procurement Division to obtain from the Federal Aviation Authority of the United States, or from the relevant civil aviation authorities, certified copies of all relevant aviation certificates and documents stipulated in the request for proposal each time a bid was submitted. Additionally, the Division had recently obtained access to commercially based software which allowed the Organization to check the registration of bidders with various government entities and to assess their solvency. The Transport Section of the Logistics and Communications Service had also commenced on-site inspections of selected aircraft providers to gain first-hand knowledge of the extent and nature of those entities' activities in their home base of operations. The Chiefs of the Transport Section, the Air Operations Unit and the Aviation Safety Unit had carried out the first of such inspections in the Russian Federation and the Ukraine at the beginning of March 1998, and provision had been made for future inspections during the 1998–1999 fiscal year. It was anticipated that those on-site inspections might also help to promote competition by encouraging suitable aircraft providers to apply for inclusion on the United Nations approved list of vendors.*

III. Conclusions

34. It is clear to OIOS that the payments to vendors for contract aviation hours not flown in peacekeeping missions in the biennium 1994–1995 were made because of several mitigating factors, such as the rapid and vast expansion of peacekeeping operations, unpredictable mandate and budget periods, slow responses to requests for resources, a lack of suitably qualified staff and a lack of organizational experience in handling the growth of peacekeeping operations. Given those factors, plus the fact that the United Nations was operating in hazardous and remote locations, it is understandable that some overestimations of required block hours in the planning of aviation activities would occur, especially where a requirement for emergency medical evacuations was levied upon the aviation sections in the field. As a result, the missions' operational plans – such as they were – almost by definition were deficient.

35. The lack of a dedicated team of experienced aviation personnel to coordinate, plan and manage aviation activities in the period leading up to and including the biennium 1994–1995 had been made known to the Field Administration and Logistics Division via audit observations, and internally, and several corrective measures were taken beginning in 1994.

36. It is also clear that the United Nations had not staffed the Field Administration and Logistics Division, the Procurement Division or the missions with sufficient personnel of suitable backgrounds to handle the intricacies and the volume of activities that such planning and management of air operations require. While the Field Administration and Logistics Division has made strenuous efforts to address those staffing shortages, the issue must be addressed to ensure that adequate resources are deployed.

37. Without tight oversight of such activities by United Nations Headquarters, however, wastage in the missions can occur again. Again, based on the available data, and observations by OIOS, measures appear to have been implemented to rectify the problems. The review by OIOS has not revealed evidence whereby individual staff members can be apportioned blame for the payments to vendors for services not utilized by the United Nations. Rather, the rapid expansion of peacekeeping activities undertaken by the Organization in the early 1990s severely stretched the resources and experience of the staff of the Organization during that period. It is also clear that, utilizing the experience and data from previous years, aviation procurement planning by the Department of Peacekeeping Operations has reduced the amount of unused block hours from 40 per cent of all contracted hours in 1993 to 2 per cent in 1997.

38. The Organization in general is responsible for not having provided the resources necessary to recruit sufficient and experienced staff for both the field missions and United Nations Headquarters in a timely manner during the period of expansion, which could have reduced the number of problems encountered in the aviation field. As a result of the significant expansion of mission activity, the entire Organization was learning new skills so as to satisfy the requirements of rapid and diversified expansion of peacekeeping operations.

IV. Recommendations

39. The recommendations of OIOS appear below, with departmental responses provided in italics.

40. Recommendation 1: that the Department of Peacekeeping Operations review the aviation planning processes for peacekeeping missions to ensure attunement to the policy and operational requirements of the mission on an ongoing basis, and that such planning decisions be ratified by the Department prior to implementation (IV97/064/01).

41. *See the comments of the Department of Peacekeeping Operations in paragraphs 18-20 above which relate to this recommendation.*

42. Recommendation 2: that the Field Administration and Logistics Division of the Department of Peacekeeping Operations review all personnel involved in United Nations aviation activities to ensure that only suitably qualified and experienced staff are recruited and employed in both the missions and at Headquarters (IV97/064/02).

43. *The Field Administration and Logistics Division of the Department of Peacekeeping Operations is fully aware of the critical need for suitably qualified and experienced air operations and air safety specialists and has now finalized a comprehensive analysis of current aviation staffing requirements, which has been forwarded to the Personnel Management and Support Service for recruitment action. In particular, the analysis identifies a number of missions which, owing to the large volume of their aviation activities, require the services of both an air operations officer and an air safety officer; other missions with a smaller number of aircraft could effectively carry out those functions with a suitably qualified individual having the combined function of air operations/air safety officer. All missions having one or more operational aircraft must have the latter qualified individual, and, in that regard, it makes no operational difference whether aircraft are supplied by letters of assist or commercial contract. All aviation support services must adhere to the common practices of the United Nations, and trained staff members must be available to judge and enforce compliance with established standards. In fact, in 1994 and 1995, 36 persons were interviewed to fill vacant aviation posts, but only 10 were eventually brought on board. Of those, only six remain, and most of those who left the Organization cited their lack of authority and inadequate pay as their primary reason for leaving. In late 1997, Logistics and Communications Service recommended an increase to 11 Professional-level posts for air operations and aviation safety personnel. Owing to the increase in missions and air assets, that requirement has now increased to 15 positions. In addition, a complete review of aviation procedures has resulted in the publishing of detailed job descriptions and qualification requirements for air operations officers, air safety officers and air operations/air safety officers. Moreover, detailed air operations and safety procedures have been electronically disseminated to 15 missions. Provisions for inspections and training for active missions have also been included in 1998-1999 budget submissions. The need for qualified staff cannot be overemphasized. Aside from the obvious safety issues in transporting personnel numbering in the hundreds of thousands and large amounts of cargo between 1994 and 1997, aviation experts are also responsible for the management of millions of dollars of the Organization's money.*

44. Recommendation 3: that the Field Administration and Logistics Division of the Department of Peacekeeping Operations ensure that all peacekeeping missions conducting aviation operations have the requisite number of suitably qualified and experienced staff members, and that those staff members have been trained in standard United Nations aviation practices prior to posting (IV97/064/03).

45. *As in all areas of the Organization, however, it is one thing to identify urgent staffing requirements but quite another for the requisite posts to be funded and filled. In view of the critical safety considerations which affect all aspects of aviation activities, the Field Administration and Logistics Division of the Department of Peacekeeping Operations is strongly of the view that the utmost priority must be given to the establishment of those posts. Moreover, those posts must be established at the Professional level to attract personnel having the requisite level of aviation expertise and experience, and to ensure that such personnel have sufficient authority in the field to enable them to effectively carry out their functions. The recruitment process will also need to recognize the technical and operational skills and experience of suitable candidates for these positions, and not focus entirely on the academic achievements as a prerequisite for their qualifications at the Professional level.*

46. Recommendation 4: that OIOS conduct a review of aviation operations in peacekeeping missions to ensure compliance with accepted United Nations rules, policies and practice. That review would include an assessment of the staffing, planning, operation and management of aviation contracts (IV97/064/04).

47. *The Field Administration and Logistics Division of the Department of Peacekeeping Operations would welcome*

such a review and would also like to express its appreciation of the assistance which OIOS has provided to date in that regard.

48. Recommendation 5: that an aviation oversight committee be formed at Headquarters that would meet semi-annually to review the overall operation of all United Nations-related aviation activity. The committee would comprise staff from the Field Administration and Logistics Division, the Procurement Division, the Office of Programme Planning, Budget and Accounts, the Office of Legal Affairs and the Office of Internal Oversight Services and would have responsibility for recommending improvements to all aspects of United Nations aviation operations (IV97/064/05).

49. *The Office of Legal Affairs considers this recommendation to be an especially sound suggestion and would be prepared to participate in such a committee. The Office of Legal Affairs further suggests that, if the proposed committee is to be effective, it will be necessary to designate a lead office to take primary responsibility for chairing the committee and implementing its decisions. The Office of Legal Affairs expects that the Field Administration and Logistics Division would be the logical office to fulfil that function.*

50. *The Field Administration and Logistics Division of the Department of Peacekeeping Operations would also support the establishment of such a committee and feels that OIOS, the Office of Legal Affairs and appropriate Department of Management representatives would be essential members. Additionally, the Division would suggest that the workings of such a committee would benefit from the inclusion of representatives of other agencies, such as the Office of the United Nations High Commissioner for Refugees, the International Criminal Tribunal for Rwanda, the United Nations Development Programme and the World Food Programme, which also conduct air operations and share similar difficulties and concerns and often rely on support from the Department of Peacekeeping Operations. It may also be considered that the International Civil Aviation Organization be asked to join periodically on a consulting or regulatory basis. Greater uniformity in the aviation practices and procedures of those agencies and the Organization would also assist vendors who are frequently confused by sometimes conflicting procurement procedures used by the various bodies. The Field Administration and Logistics Division looks forward to the opportunity to continue the excellent record of improvement that it has produced in the area of air operations. The Division will work hand-in-hand with all members of the Organization who share that important goal of providing it with safe, timely and cost-effective air support. As OIOS is aware, there has been extensive cooperation between the Division and OIOS in order to improve the management and utilization of air assets and to ensure that the Organization obtains the best value from those assets. Many of the issues raised in the report of OIOS have emerged as a result of comprehensive discussions between the Division and OIOS over that period, and the Division therefore agrees with most of the comments made in the present report. Moreover, as acknowledged in the report, the Division through the Air Transport Unit and the Aviation Safety Unit of the Transport Section of the Logistics and Communications Service, has already addressed many of the issues raised by OIOS and taken remedial action over the ensuing months. Thus, the recommendations of OIOS are, in most cases, either already in place or, in the final stages of implementation.*

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General
for Internal Oversight Services